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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C 20554

SEP - 6 1994

In the Matter of)
)
Pacific Bell Petition for)
Rulemaking to Amend Section 69.106) RM-8496
of the Commission's Rules to)
Establish a Call Setup Charge)
_____)

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

REPLY COMMENTS

Sprint Communications Company L.P. ("Sprint"), pursuant to the Commission's July 21, 1994 Public Notice (Report No. 2022), hereby submits its reply comments on the above captioned petition filed by Pacific Bell on June 30, 1994.

Pacific Bell has petitioned the Commission to institute a rulemaking proceeding to amend Section 69.106 of the Commission's Rules. Pacific Bell has requested the Commission replace the requirement that all local switching costs be assessed on a per-minute basis with one which allows a per-call setup charge in addition to existing per-minute access charges. Pacific Bell's petition was supported by two local exchange carriers, Bell Atlantic and Southwestern Bell, and opposed by all other commenters, including interexchange carriers, Ad Hoc Telecommunications Users Committee, and other companies providing or using data processing and related services which would be adversely affected by the rule change.

Section 69.106, which Pacific Bell seeks to change, is one part of a very complex system of rules and regulations

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governing the provision of access services by the local exchange companies. Within this integrated and intricate system are the entire set of Part 69 rules, the Part 36 separations process, price caps and universal service fund requirements. Impacting this system of rules and regulations are advances in technology, new products and services, and national public interests. Clearly, one small component of this system, such as Section 69.106, cannot be changed without impacting--possibly adversely--other components of the system, as well as access customers and their end users.¹ Thus, Sprint opposes Pacific Bell's petition.

Many parts of the complex system described above are in need of review and redesign. Sprint has called upon the Commission for many years now to undertake a comprehensive review of access charges and separations rules to take into account technological changes and the evolving local competitive environment, to assure that particular carriers are not placed at a competitive disadvantage by the Commission's rules, and to avoid burdening customers of

¹ For example, AT&T points out that because the growth rate for messages is greater than minutes, price cap local exchange carriers will increase their revenues by charging on a per message basis. To compensate for the inflated revenues produced by the change in rate structure, the Commission would have to revise the productivity factor for the traffic sensitive basket (at 5-6). California Bankers Clearing House, et al., note that if the Commission revises Part 69 as proposed by Pacific Bell, the method of cost recovery will differ from the assignment mechanism in Part 36, and the rates would therefore not be cost-causative (at 7-8). The providers and users of services based on short-duration calls describe the devastating impact the proposed rule change will have on their businesses.

particular access services with costs that properly should be borne by other rate payers.² Many of the commenters here similarly urge the Commission to undertake a comprehensive reform of access charges.³

Sprint has previously advocated the issuance of a notice of inquiry inviting comment by all interested segments of the telecommunications community on the scope of the issues that should be explored and the procedures to be employed in this comprehensive access charge review. Such an approach is preferable to the institution of a rulemaking directed at specific issues or particular rules and will ensure that all interested stakeholders' concerns are addressed in the rulemaking.

Accordingly, Sprint urges the Commission to promptly commence an inquiry that consolidates the various petitions currently before it and to seek industry comment on the range

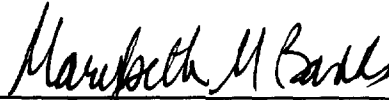
² See, e.g., Comments of Sprint Corporation, filed July 8, 1994, RM-8480, Ad Hoc's Petition for Rulemaking to Amend Part 36 and Part 69 of the Commission's Rules to Effect Comprehensive Reform of the Access Charge System, at 1-2; Comments of Sprint, filed November 1, 1993, RM-8356, USTA's Petition for Rulemaking to Reform the Interstate Access Charge Rules, at 1; Comments of Sprint Corporation, filed December 13, 1993, RM-8388, MFS's Petition for a Notice of Inquiry and En Banc Hearing on Policies and Programs to Assure Universal Telephone Service in a Competitive Market Environment, at 5; Comments of US Sprint, filed August 16, 1991, CC Docket No. 91-141, at 10-13; and Reply Comments of US Sprint, filed March 22, 1991, CC Docket No. 788-72, at 28-32.

³ See Ad Hoc's Opposition at 1-7; AT&T's Comments at 3-4; Bell Atlantic's Comments at 3; California Bankers Clearing House, et al., Opposition at 3-8; CompuServe's Comments at 7; First Financial Management Corporation's Opposition at 6; and Transaction Network Services' Comments at 4-5.

of issues to be encompassed in the review and the procedures to be employed.

Respectfully submitted,

SPRINT COMMUNICATIONS COMPANY L.P.

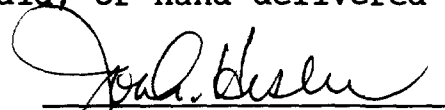
A handwritten signature in cursive script, reading "Marybeth M. Banks". The signature is written in dark ink and is positioned above a horizontal line.

H. Richard Juhnke
Marybeth M. Banks
1850 M Street, N.W., Suite 1110
Washington, D.C. 20036
(202) 857-1030

September 6, 1994

CERTIFICATE OF SERVICE

I, Joan A. Hesler, hereby certify that on this 6th day of September, 1994, a true copy of the foregoing **REPLY COMMENTS** was served first class mail, postage prepaid, or hand delivered upon each of the parties listed below.


Joan A. Hesler

Kathleen M. H. Wallman
Chief
Common Carrier Bureau
Federal COMMUNICATIONS
COMMISSION
1919 M Street, N.W., #500
Washington, D.C. 20554

James D. Schlichting
Chief
Policy & Program Planning Div.
FEDERAL COMMUNICATIONS
COMMISSION
1919 M Street, N.W. #
Washington, D.C. 20554

David A. Nall
Acting Chief
Tariff Division
FEDERAL COMMUNICATIONS
COMMISSION
1919 M Street, N.W. #518
Washington, D.C. 20554

INTERNATIONAL TRANSCRIPTION
SERVICE
1919 M Street, N.W. #832
Washington, D.C. 20554

Kathleen Levitz
Deputy Bureau Chief
Common Carrier Bureau
FEDERAL COMMUNICATIONS
COMMISSION
1919 M Street, N.W. #
Washington, D.C. 20554

James P. Tuthill
Nancy C. Woolf
PACIFIC BELL
140 New Montgomery St., Rm 1523
San Francisco, CA 94105

James L. Wurtz
PACIFIC BELL
1275 Pennsylvania Ave., N.W.
Washington, D.C. 20004

James S. Blaszak
Francis E. Fletcher, Jr.
GARDNER, CARTON & DOUGLAS
1301 K Street, N.W.
Suite 900, East Tower
Washington, D.C. 20005
Attorneys for AD HOC
TELECOMMUNICATIONS USERS
COMMITTEE

Dr. Lee L. Selwyn
Susan M. Gately
Economic Consultants
Economics and Technology, Inc.
One Washington Mall
Boston, MA 02108

Robert J. McKee
Mark C. Rosenblum
Peter H. Jacoby
AT&T CORPORATION
Room 2255F2
295 North Maple Avenue
Basking Ridge, NJ 07920

Lawrence W. Katz
THE BELL ATLANTIC
TELEPHONE COMPANIES
Edward D. Young, III
Michael E. Glover
Of Counsel
1710 H Street, N.W.
Washington, D.C. 20006

Colleen L. Boothby
LEVINE, LAGAPA & BLOCK
Counsel for California Bankers
Clearing House; Mastercard
International, Inc.; New York
Clearing House Association and
Norwest Corporation
1200 19th Street, N.W., #602
Washington, D.C. 20036

Randolph J. May
Brian T. Ashby
SUTHERLAND, ASBILL & BRENNAN
Counsel for Compuserve Inc.
1275 Pennsylvania Ave., N.W.
Washington, D.C. 20004

Christopher Bennett
Analyst
MCI TELECOMMUNICATIONS CORP.
1801 Pennsylvania Avenue, N.W.
Washington, D.C. 20006

Randolph J. May
Timothy J. Cooney
SUTHERLAND, ASBILL & BRENNAN
Counsel for First Financial
Management Corporation
1275 Pennsylvania Ave., N.W.
Washington, D.C. 20004

Joseph P. Markoski
Kerry E. Murray
SQUIRE, SANDERS & DEMPSEY
Counsel for National Data Corp.
1201 Pennsylvania Avenue, N.W.
Washington, D.C. 20044

Robert M. Lynch
Richard C. Hartgrove
Thomas A. Pajda
SOUTHWESTERN BELL TELEPHONE
COMPANY
One Bell Center, Suite 3520
St. Louis, MO 63101

Danny E. Adams
Robert J. Butler
David L. Strickland
WILEY, REIN & FIELDING
Counsel for Transaction Network
Services, Inc.
1776 K Street, N.W.
Washington, D.C. 20006